

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 9, 2009

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, June 9, 2009.

Mayor Warmington opened the meeting with a prayer from Commissioner Clara Shepherd after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Steve Wisneski, Chris Carter, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

2009-49 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, May 26th.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Approval of a Neighborhood Enterprise Zone Certificate. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone certificate has been received from Fred Glancy for the rehabilitation of a historical home in the McLaughlin neighborhood at 1164 Terrace Street. The property is located in a Neighborhood Enterprise Zone for Rehab and New Construction. The application states that the estimated cost for construction will be \$110,000 in materials. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve issuance of the NEZ certificate.

C. Revocation of a Neighborhood Enterprise Zone Certificate. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Ashley C. Gill is in violation of the Neighborhood Enterprise Zone certificate in that the home at 1203 4th Street is no longer owner occupied and there is a balance owing on the 2008 property taxes. The State requires that a home with a Neighborhood Enterprise Certificate be owner occupied and that the property taxes be paid. Staff sent a letter to the owner advising them of these issues on May 13, 2009 with a deadline of May 28, 2009 with no response to the letter and the 2008 property taxes remain unpaid.

FINANCIAL IMPACT: The property will no longer be able to take advantage of the certificate number 2006-0974 which allowed taxation at 50% of the State average for a stated number of years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve revocation of the NEZ certificate and have the Mayor and City Clerk sign the resolution and submit it to the State Tax Commission.

D. Transportation Funding Resolution. CITY MANAGER

SUMMARY OF REQUEST: To adopt a resolution in support of a comprehensive transportation funding package to maintain and improve Michigan's roads.

FINANCIAL IMPACT: A comprehensive transportation funding package would provide significant increased funding to the City, as reflected by these figures provided by the Michigan Municipal League.

MDOT-MTF Forecast Scenario

AGENCY	FY 2008	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
City	Reg & Tax Only	Estimated	Estimated	Estimated	Estimated	Estimated
Muskegon	2,863,728	3,602,691	4,081,113	4,560,426	5,040,673	5,293,145

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To adopt the resolution and distribute it accordingly.

F. Addition of a Clause to the IFT Contract. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the addition of a clause to the Industrial

Facilities Tax Abatement contract that will discourage companies from appealing the valuation of any real or personal property at their facility to the Michigan Tax Tribunal or the State Tax Commission.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the new IFT contract clause (section 1.6).

G. Approval of Department of Energy Grant. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the request to submit a grant application to the U.S. Department of Energy for the Energy Efficiency and Conservation Block Grant. The City of Muskegon is eligible for up to \$181,600 in funding for energy efficiency upgrades. Staff is currently working on the grant and determining the best options, but there will be a major emphasis on energy efficient upgrades to the McGraft Park facility, the addition of two new fuel efficient cars, and other energy efficient upgrades that will have the most impact on eliminating greenhouse gases and cutting utility bills.

FINANCIAL IMPACT: The energy efficient upgrades should lower the City's utility bills considerably.

BUDGET ACTION REQUIRED: The City will use up to \$40,000 of the \$250,000 budgeted for the Capital Improvements Plan for the parks, as to leverage funds.

STAFF RECOMMENDATION: To approve the submittal of the grant application.

H. Crack Sealing Machine. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to enter into a rent/purchase agreement with National Highway Maintenance.

FINANCIAL IMPACT: \$25,985.

BUDGET ACTION REQUIRED: None, the cost will be offset by savings on other purchases.

STAFF RECOMMENDATION: Authorize staff to enter into a rent/purchase agreement with National Highway Maintenance.

I. Special Events – Multiple Liquor License Request for Muskegon Eagles Aerie 668 Fraternal Order of Eagles During Muskegon Summer Celebration. LEISURE SERVICES

SUMMARY OF REQUEST: The Muskegon Fraternal Order of Eagles (Aerie 668) is requesting an extension of their current liquor license to be able to serve non-members during the Muskegon Summer Celebration (June 26th through July 5th). The following temporary alcohol licenses have been approved for this time

period: Muskegon Summer Celebration and Mike's Inn.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: The Leisure Services Board approved this request at their May 18th meeting.

K. Special Events – Multiple Liquor License Request for The Muskegon Yacht Club. LEISURE SERVICES

SUMMARY OF REQUEST: The Muskegon Yacht Club is requesting an extension of their current liquor license to be able to host the Queens Cup Regatta on June 27, 2009. The following temporary alcohol licenses have been issued for this date: Muskegon Summer Celebration and Mike's Inn.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: The Leisure Services staff approved this request.

L. Muskegon Bike Time Events, Inc. July 17th thru July 19th, 2009. LEISURE SERVICES

SUMMARY OF REQUEST: To approve the request from Muskegon Bike Time Events Inc., subject to the conditions outlined in the memo.

FINANCIAL IMPACT: Request that equipment rental fees be waived. In exchange they will provide a pre-negotiated amount of beverage tent wristbands. The exchange will be coordinated with the City Manager.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request from Bike Time, with the conditions outlined in the memo from staff.

COMMITTEE RECOMMENDATION: The Leisure Services Board approved this event at their May 18th meeting, subject to staff approval of individual requests.

M. Acceptance of Fair Housing Impediment Study. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To accept the final draft of the 2009 Fair Housing Impediment Study produced by the Southeastern Michigan Fair Housing Center of Ann Arbor, Michigan. The Southeastern Michigan Fair Housing Center was contacted by the cities of Muskegon, Muskegon Heights and Norton Shores to conduct this study, mandated by the US Department of Housing and Urban Development.

FINANCIAL IMPACT: The City of Muskegon's portion of the cost will be deducted from the CNS Office CDBG Administration funds.

BUDGET ACTION REQUIRED: None required.

STAFF RECOMMENDATION: To approve the acceptance of the document and the City's final payment for our portion of the agreement.

N. Final CDBG/HOME Allocations from HUD. COMMUNITY &
NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: For the City Commission to make an additional allocation decision concerning the 2009-2010 Community Development Block Grant/HOME Partnership Program allocations for this coming fiscal year.

During the March 24, 2009, City Commission meeting, the Commission made their final decision on the 2009-2010 CDBG/HOME Partnership allocations. Since then, HUD has revised the total amounts for the grants. CDBG was increased from \$984,207 to \$999,433 and HOME was increased from \$290,049 to \$322,469. The City administration made the following recommendations:

CDBG

Increase the Veterans from \$3,000 to \$5,000 - \$2,000 increase
Increase Facade from \$5,000 to \$8,500 - \$3,500 increase
Increase Youth Recreation from \$75,000 to \$80,000 - \$5,000 increase
Increase the American Red Cross from \$3,500 to \$5,000 - \$1,500 increase
Increase Summer Interns from \$6,250 to \$8,000 - \$1,750 increase
Increase Legal Aid Foreclosures from \$8,500 to \$9,976 - \$1,476 increase
Total Increase is \$15,226.

The CDC made two changes to the City's CDBG recommendations:

Increase Youth Recreation from \$75,000 to \$79,000 - \$4,000 increase
Increase Muskegon Community Health project from \$2,750 to \$3,750 - \$1,000 increase. Their reasoning for this increase is this program deals with uninsured diabetics and this is such a growing problem in Muskegon.

HOME

Increase HOME Admin from \$22,500 to \$25,742 - \$3,242 increase
Increase Rental Rehab from \$70,000 to \$74,727 - \$4,727 increase
Increase Sr. Weatherization from \$125,549 to \$150,000 - \$24,451 increase
Total increase is \$32,420.

The CDC made two changes to the City's HOME recommendation:

Increase Sr. Weatherization from \$125,549 to \$145,000 – increase \$19,451.
Increase Habitat for Humanity from \$50,000 to \$55,000 – \$5,000 increase.
Their reasoning for this increase is that Habitat always needs and uses any funds given them for their Muskegon projects.

After receiving the Commission's final allocation decision, the Community and Neighborhood Services office will amend the appropriate CDBG Subrecipient Agreements and HOME CHDO Agreements.

FINANCIAL IMPACT: The decision will determine how the Community Development Block Grant/HOME Partnership Program final funding will be allocated for the 2009-2010 fiscal year.

BUDGET ACTION REQUIRED: The Commission actions will establish the fiscal year's budget.

STAFF RECOMMENDATION: The Commission previously received the administration recommendations.

COMMITTEE RECOMMENDATION: The Commission also received the Citizen District Council recommendations.

It was clarified that the Commission's vote for approval was for the administration recommendations.

O. Accept Resignations from Various Boards. CITY CLERK

SUMMARY OF REQUEST: To accept the resignation of John Aslakson from the Planning Commission and Sue Thompson from the Historic District Committee.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To accept resignations.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to approve the Consent Agenda as presented minus items E and J.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

2009-50 ITEMS REMOVED FROM THE CONSENT AGENDA:

E. Arena Management – JS Hockey Enterprises, Inc. CITY MANAGER

SUMMARY OF REQUEST: To authorize the Mayor and City Manager to execute any and all documents pertaining to the transfer of the management of the L.C. Walker Arena to JS Hockey Enterprises, Inc., including documents pertaining to the Arena's liquor license.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Arena Management request regarding the documents pertaining to the Arena's liquor license for JS Hockey Enterprises, Inc.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

K. Special Events – Multiple Liquor License Request for Muskegon Eagles Aerie 668 Fraternal Order of Eagles During Muskegon Bike Time.
LEISURE SERVICES

SUMMARY OF REQUEST: The Muskegon Fraternal Order of Eagles (Aerie 668) is requesting an extension of their current liquor license to be able to serve non-members during the Muskegon Bike Time Event, scheduled July 17th through July 19th. The following temporary alcohol licenses have been approved for this time period: Racquets, Pop-A-Top, Muskegon Bike Time, Topsy Toad, and Mike's Inn.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: The Leisure Services Board has approved this request at their May 18th meeting.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to adopt the special events multiple liquor license request for Muskegon Eagles Aerie 668 Fraternal Order of Eagles during Muskegon Bike Time.

ROLL VOTE: Ayes: Shepherd, Spataro, Wierengo, Wisneski, Carter, and Gawron

Nays: Warmington

MOTION PASSES

2009-51 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – ESCO Company. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, ESCO Company, 1221 E. Barney Ave., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The company plans on making investments of \$1,972,260 in personal property improvements and \$170,000 in real property improvements. They are requesting a 12-year abatement on both real and personal property.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years for both personal and real property.

The Public Hearing opened to hear and consider any comments from the public. Commissioner Wisneski stated that he will be abstaining from comments due to a pre-existing business relationship. No public comments were made.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to close the Public Hearing and approve the resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years for both personal and real property to ESCO Company.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Gawron, and Shepherd

Nays: None

Abstain: Wisneski

MOTION PASSES

2009-52 UNFINISHED BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish 254 Amity Avenue. PUBLIC SAFETY

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structure located at 254 Amity Avenue, Area 11, is unsafe, substandard, a public nuisance and that it be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals notice and order to demolish 254 Amity Avenue.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

2009-53 NEW BUSINESS:

A. Allocation of Community Development Block Grant-R (American Recovery Reinvestment Act of 2009). COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To accept the Administration's recommendation for the Community Development Block Grant-R program to reconstruct White Street from Wood and Scott. White Street is one of the last streets in the City of Muskegon that has never been paved. The funds for this project, if approved, will be coming from the American Recovery and Reinvestment Act of 2009 (also known as the Stimulus Package). The City of Muskegon is proposed to receive \$267,182 from the program. It is requested that residents of the City of Muskegon be given every opportunity to be hired, if and when qualified, for this project.

FINANCIAL IMPACT: All expected costs will come from the CDBG-R program.

BUDGET ACTION REQUIRED: To direct staff to budget all costs for the White Street project to the CDBG-R program.

STAFF RECOMMENDATION: To approve staff recommendation and to direct the Engineering Department to begin the designing process for the reconstruction and to solicit for bids when the project is ready.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the allocation of Community Development Block Grant-R American Recovery Reinvestment Act dollars to begin the designing process for the reconstruction of White Street.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

B. Second Quarter Budget Reforecast. CITY MANAGER

SUMMARY OF REQUEST: To adopt the Second Quarter Budget Reforecast as presented.

Motion by Commissioner Carter, second by Commissioner Spataro to adopt the Second Quarter Budget Reforecast as presented.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

C. Muskegon Summer Celebration. LEISURE SERVICES

SUMMARY OF REQUEST: To approve the request from Muskegon Summer Celebration. 2009's request is consistent with 2008's. There are no significant changes.

FINANCIAL IMPACT: Request that rental fees be waived for any equipment

used.

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: The Leisure Services Board approved this event at their March 16th meeting.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the request from Muskegon Summer Celebration.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Various comments were made by the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:20 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk